

Extended Employment Program

Compliance Audit & Program Evaluation Report

July 1, 2008 – June 30, 2009

Anita Kavitz ~ April 20, 2010
Vocational Rehabilitation Services ~ Community Partnerships
Minnesota Department of Employment and Economic Development

Table of Contents

Introduction.....	3
Authority to Act	4
Program Purpose	4
Powers and Duties.....	4
Administrative Rules	4
Legislative Appropriation	5
Minnesotans Served	5
Employment Outcomes.....	5
Program Descriptions.....	6
Ongoing Employment Support Services.....	6
Performance-based Funding System.....	7
Statewide Uniform Rates	7
Wage Level Incentive	8
Two Funds to Manage Resources	9
Fund Distribution Method.....	9
Systems Change	10
History of Contracted Allocations – by Fund	11
Contracted Allocations.....	12
Comparative Provider Outcomes	13
Utilization of Grant Funds for Supported Employment	13
Outcomes of Persons Served in Supported Employment	14
Outcomes of Persons Served in Community Employment.....	15
Outcomes of Persons Served in Center-based Employment.....	16
Compliance Examination Results	17
Provider Assertions	17
Independent Accountant’s Report.....	19
Auditors’ Opinions.....	19
Efficiency Measures.....	20
SE Reported Hours, Auditors’ Samples and Error Rates	21
CE Reported Hours, Auditors’ Samples and Error Rates	22
CBE Reported Hours, Auditors’ Samples and Error Rates	23
Community Support Funds Earned.....	24
Center-based Funds Earned	25
2010 Economic Hardship Requests Granted	26

Introduction

This report contains summary information about the condition and outcomes of the Extended Employment (EE) grant program resulting from the application of the *Extended Employment Program Compliance Examination Standards* for the period July 1, 2008 through June 30, 2009.

The Department sought input to the audit standards from EE providers and the Audit Standards Workgroup, an ad hoc committee of executive and financial directors, independent auditors and Department staff, designed to effect positive change through a quality improvement process. The draft standards were approved and posted to the EE website on May 21, 2009.

The objective of the independent auditor's examination procedures, applied to [management's assertion](#) about the entity's compliance with specific EE requirements, is to express an [opinion](#) about whether management's assertion is fairly stated in all material respects based on agreed upon criteria. The scope does not include the auditor's opinion on internal control over compliance.

Examinations are conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and include examining, on a test basis, evidence about compliance.

In an effort to reduce the cost of the examination to community rehabilitation providers who directly incur the expense, respond to auditors' requests for more direction, and establish greater uniformity in the testing and reporting of compliance, suggested testing protocol was included in the published standards. These tests were not required and auditors could use their professional judgment in determining whether or not the suggested procedures were sufficient to issue an opinion on compliance.

The funding unit of distribution of extended employment program funding is the payment for one work hour¹ performed by an eligible worker and reported to the extended employment program. Therefore, variances are reported as questioned work hours and may be disallowed by the Department, requiring the repayment of grant funds after a final contract adjustment process and due process appeal period.

Information and analysis within this report is limited to the data reported by the community rehabilitation providers (CRPs) funded, and should not be misconstrued as representing the comprehensive ongoing employment support system. Although some CRPs provide ongoing employment support services in excess of their EE performance-based contract requirements, there is no obligation to report, or uniformity in the reporting of unfunded services to the State.

¹ Minnesota Rules, 3300.2005, Subpart 37. Work hours means hours for which a worker performs paid work, including hours of paid holidays, paid sick, paid vacation, and other paid leave. A work hour is the basic funding unit for allocating extended employment program funds.

Authority to Act

Program Purpose

The mission of extended employment is to provide the ongoing employment support services necessary to maintain and advance the employment of persons with a most severe disability, and shall encompass the broad range of employment choices available to all persons and promote an individual's self-sufficiency and financial independence. *Minn. Stat. 268A.15, subd. 2.*

Powers and Duties

DEED is authorized by Minnesota Statute 268A, Vocational Rehabilitation, to administer the Extended Employment (EE) Program. The commissioner certifies rehabilitation facilities to offer extended employment programs, grants funds to the extended employment programs, and performs the duties specified in section 268A.15. *Minn. Stat. 268A.03.*

DEED administers the EE Program through the Vocational Rehabilitation Services (VRS) and employs staff to administer this section and is empowered to accept and receive funds from nonstate sources for the purpose of implementing this section. *Minn. Stat. 268A.15, subd. 1.*

The commissioner shall adopt rules on an individual's eligibility for the extended employment program, the certification of rehabilitation facilities, and the methods, criteria, and units of distribution for the allocation of state grant funds to certified rehabilitation facilities. In determining the allocation, the commissioner must consider the economic conditions of the community and the performance of rehabilitation facilities relative to their impact on the economic status of workers in the extended employment program. *Minn. Stat. 268A.15, subd. 3.*

The commission shall evaluate the extended employment program to determine whether the purpose of extended employment as defined in subdivision 2 is being achieved. The evaluation must include an assessment of whether workers in the extended employment program are satisfied with their employment. A written report of this evaluation must be prepared at least every two years and made available to the public. *Minn. Stat. 268A.15, subd. 4.*

Within available resources, the EE Program provides technical assistance to rehabilitation facilities. *Minn. Stat. 268A.15, subd. 5.*

The commissioner may provide innovation and expansion grants to rehabilitation facilities to encourage the development, demonstration, or dissemination of innovative business practices, training programs and service delivery methods.... *Minn. Stat. 268A.15, subd. 6.*

Administrative Rules

The Department promulgated administrative rules for the EE Program, Minnesota Chapter 3300.2005 through 3300.2055, effective July 1, 1998.

Legislative Appropriation

To accomplish its mission, the Extended Employment Program is funded exclusively by Minnesota legislative appropriation. For SFY09, the legislature authorized 3.77 positions and the dedicated funds identified in the table.

Salaries	\$ 363,000
Non-personal services	32,000
Grant funds	12,139,000
Total	\$ 12,534,000

Minnesotans Served

Extended employment worker means an individual with a most severe disability that results in serious limitations in three or more *functional areas*² that affect employment, who requires and receives *ongoing employment support services*³ over an extended period of time to maintain and advance in employment, and who is reported to the department by the provider during the contract period. *Minn. R. 3300.2005, subp. 18.*

Individual with a most severe disability means an individual: (a) who has a severe physical or mental impairment that results in serious limitations to employment in three or more functional areas; and (b) whose employment can be expected to require ongoing employment support services over an extended period of time; and (c) who has one or more physical or mental disabilities resulting from amputation, arthritis, autism, blindness, burn injury, cancer, cerebral palsy, cystic fibrosis, deafness, head injury, heart disease, hemiplegia, hemophilia, respiratory or pulmonary dysfunction, mental retardation, mental illness, multiple sclerosis, muscular dystrophy, musculoskeletal disorders, neurological disorders including stroke and epilepsy, paraplegia, quadriplegia, and other spinal cord conditions, sickle cell anemia, specific learning disability, and end-stage renal disease, or another disability or combination of disabilities determined on the basis of an assessment for determining eligibility and vocational rehabilitation needs to cause comparable serious functional limitation. *Minn. R. 3300.2005, subp. 22.*

Employment Outcomes

SFY 2009, over fifty-five hundred Minnesotans with a most severe disability were reported to have received the ongoing employment supports needed to add over four million work hours to the state's productive capacity, thereby earning in aggregate nearly \$26 million in personal income. Select program hyperlinks for detailed outcomes by service provider.

Outcomes	Total	Supported Employment	Community Employment	Center-based Employment
Workers ⁴	5,506	2,543	2,678	2,996
Work hours	4.25 million	1.58 million	1.03 million	1.63 million
Wages paid	\$ 25.76 million	\$15.1 million	\$ 5.1 million	\$ 5.5 million
Ave. Hourly Wage	\$ 6.06	\$ 9.56	\$ 4.99	\$ 3.38

² Functional areas; Minn. R. 3300.2005, Subpart 20.

³ Ongoing employment support services; Minn. R. 3300.2005, Subpart 31.

⁴ Subprogram counts are duplicative as many workers engaged in multiple subprograms during the year.

Program Descriptions

Extended employment program means an employment program which provides the ongoing employment support services necessary to maintain and advance the employment of individuals with severe disabilities by providing work in center-based employment, community employment, or supported employment subprograms. *Minn. R. 3300.2005, subpart 15.*

Supported employment means *competitive employment*⁵ in an *integrated setting*⁶ with ongoing employment support services for individuals with the most severe disabilities for whom competitive employment has not traditionally occurred or for whom competitive employment has been interrupted or intermittent as a result of a severe disability; and who, because of the nature and severity of their disabilities, need intensive ongoing employment support services from the designated state unit and extended services after transition in order to perform this work; or *transitional employment*⁷ for individuals with the most severe disabilities due to mental illness. *Minn. R. 3300.2005, subpart 35.*

Community employment is paid work in the community requiring intensive ongoing employment support services that does not meet the definition of supported employment only because the worker is paid less than minimum wage or the employment does not meet the criteria of an integrated setting, or the worker is compensated at or above the minimum wage but below the customary wage paid by the employer for the same or similar work performed by individuals without a disability. *Minn. R. 3300.2005, subpart 10.*

Center-based employment means employment which provides paid work on the premises of an extended employment provider and training services or other services necessary for employment on or off the premises of an extended employment provider⁸ to persons who, because of the nature and severity of their disabilities, need intensive ongoing employment support services funded by the state unit in order to work. *Minn. R. 3300.2005, subpart 6.*

Ongoing Employment Support Services

Ongoing employment support services means any of the following services identified in the worker's extended employment support plan as related to a worker's limitations in functional areas and that are necessary to maintain and advance the worker's employment: (a) facilitation of natural supports at the work site; (b) rehabilitation technology, job redesign, or environmental adaptations; (c) disability awareness training for the worker, or the worker's employer, supervisor, or coworkers, and other services to increase the worker's inclusion at the worksite; (d) job skill training at the work site; (e) regular observation or supervision of the worker; (f) behavior management; (g) coordination of support services; (h) job-related safety training; (i) job-related self-advocacy skills training to advance employment; (j) training in independent living skills, such as: money management, grooming and personal care, social skills, orientation and mobility, using public transportation or driver's training; (k) communication skills training such as sign language training, Braille, speech reading, use of communication devices or other adaptive methods for the worker, or the worker's employer, supervisor,

⁵ Competitive employment; Minn. R. 3300.2005, subp. 9.

⁶ Integrated setting; Minn. R. 3300.2005, subp. 25.

⁷ Transitional employment; Minn. R. 3300.2005, subp. 36.

⁸ Extended employment provider; Minn. R. 3300.2005, subp. 16.

or coworkers; (l) follow-up services such as regular contact with the worker's employer, supervisor, or coworkers, the worker's parents, family members, advocates, or legal representatives of the worker; and other suitable professional and informed advisors, in order to reinforce and stabilize the job placement; (m) training in job seeking skills; (n) career planning, job development, or job placement to advance in employment; (o) transitional employment services; and (p) any other service that is similar to the services in items A to O, that is identified in the worker's extended employment support plan, and that is needed to maintain or advance the employment of a worker in the extended employment program.

Minn. R. 3300.2005, subp. 31.

Performance-based Funding System

The [program purpose](#) is "to provide the ongoing employment support services necessary to maintain and advance the employment of persons with severe disabilities...." If the goal of these services is to satisfy the needs of persons served and their employers, a logical measure of success is continued employment and advancement. Therefore, the heart of the funding formula is work hours.

Work hours means hours for which a workers performs paid work, including hours of paid holidays, paid sick, paid vacation, and other paid leave. A work hour is the basic funding unit for allocating extended employment program funds. *Minn. R. 3300.2005, subpart 37.*

Extended employment providers are paid for each work hour performed by an [eligible worker](#) and reported to the Extended Employment (EE) program. The unit of distribution of extended employment program funding is the payment for one work hour performed by an eligible worker and reported to the department in the extended employment program. *Minn. R. 3300.2035, subpart 1.*

Extended employment provider means a rehabilitation facility⁹ certified by the commissioner under Minn. Rules 3300.2010 to provide center-based, community, or supported employment.

Statewide Uniform Rates

Statutory language further stipulates: "Employment must encompass the broad range of employment choices available to all persons and promote an individual's self-sufficiency and financial independence." To this end, the department established a statewide uniform rate¹⁰ for each subprogram recognizing varying levels of consumer control, community integration, and the historical earning capacity by employment models. The rates have been periodically adjusted for change in the Consumer Price Index¹¹.

Statewide Uniform Rates			
Date	Supported Employment	Community Employment	Center-based Employment
July 1, 1998	\$ 2.40	\$ 2.13	\$ 1.19
SFY 1999	\$ 2.43	\$ 2.16	\$ 1.12
SFY 2000	\$ 2.68	\$ 2.38	\$ 1.34
SFY 2002	\$ 2.94	\$ 2.61	\$ 1.46
SFY 2005	\$ 3.19	\$ 2.83	\$ 1.58
SFY 2007	\$ 3.55	\$ 3.15	\$ 1.76
SFY 2008	\$ 3.60	\$ 3.19	\$ 1.76
SFY 2009	\$ 3.78	\$ 3.24	\$ 1.79

⁹ Rehabilitation facility; Minn. R. 3300.2005, Subpart 34.

¹⁰ Statewide uniform rates; Minn. R. 3300.2035, Subpart 6.

¹¹ Consumer price index; Minn. R. 3300.2005, Subpart 11.

Wage Level Incentive

The funding formula incorporates a wage-level incentive bonus as a mechanism to redistribute underproduction of contracted funds and funds repaid as a result of audit. The bonus rewards providers to varying degrees, based on the percentage of workers' wages that meet or exceed the federal minimum wage. The incentives are calculated and paid separately for the Center-based Fund and the Community Support Fund. The Community Support Fund for SFY 2010 contained \$125,000 available for redistribution as wage incentive performance bonus; 1,648,381.19 work hours were reported that met or exceeded the federal minimum wage; and the following providers earned a share of the distribution.

Provider	Qualified Hours	Percent	Distribution
MRCI	211,791.34	12.85%	\$ 16,060.56
Tasks Unlimited	211,559.05	12.83%	16,042.94
Opportunity Partners	164,004.81	9.95%	12,436.81
Rise	140,827.19	8.54%	10,679.20
Productive Alternatives	81,892.94	4.97%	6,210.10
Lifetrack Resources	72,986.59	4.43%	5,534.72
Goodwill/EasterSeals	69,514.83	4.22%	5,271.45
Resource	61,770.08	3.75%	4,684.15
Ability Building Center	60,805.85	3.69%	4,611.03
Winona ORC	56,723.70	3.44%	4,301.47
Occupational Development Center	53,464.93	3.24%	4,054.35
ProAct	52,776.93	3.20%	4,002.18
Courage Center	48,424.42	2.94%	3,672.12
Hennepin County VSP	48,372.10	2.93%	3,668.15
Opportunity Services	48,248.01	2.93%	3,658.74
West Central Industries	40,127.94	2.43%	3,042.98
AccessAbility	34,503.71	2.09%	2,616.48
GIVE	33,397.41	2.03%	2,532.59
Cedar Valley Services	31,661.45	1.92%	2,400.95
KCQ	29,221.28	1.77%	2,215.91
Jewish Vocational Services	28,156.38	1.71%	2,135.15
WACOSA	23,327.54	1.42%	1,768.97
Functional Industries	19,090.07	1.16%	1,447.64
Zumbro Valley Mental Health Center	9,150.85	0.56%	693.93
The Rising Phoenix	6,818.17	0.41%	517.04
Midwest Special Service	4,812.68	0.29%	364.96
Service Enterprises	2,861.99	0.17%	217.03
Industries	2,088.95	0.13%	158.41
Total	1,648,381.19	100%	\$ 125,000.00

Two Funds to Manage Resources

The *Community Support Fund* (CSF) is used to manage the dollars allocated for ongoing employment support services provided to workers in community employment settings. Services funded support workers in the community employment and supported employment subprograms. For the year ending June 30, 2009 the Department established CSF contracts totaling \$9,284,302.

The *Center Based Fund* (CBF) is used to manage the dollars allocated for ongoing employment support services to workers performing paid work on premises owned or operated by an EE provider. For the year ending June 30, 2009 the Department established CBF contracts totaling \$2,568,121 with certified EE providers.

[Contracted allocations](#) totaled \$11,852,423.

Fund Distribution Method

For each state fiscal year, the department determines the statewide allocation to each fund according to Minnesota Rules, 3300.2035, subpart 7:

From the state appropriation, the department reserves for the CSF an amount of dollars equal to the sum of the allocations for the starting point for all providers with contracts and making application for funding.

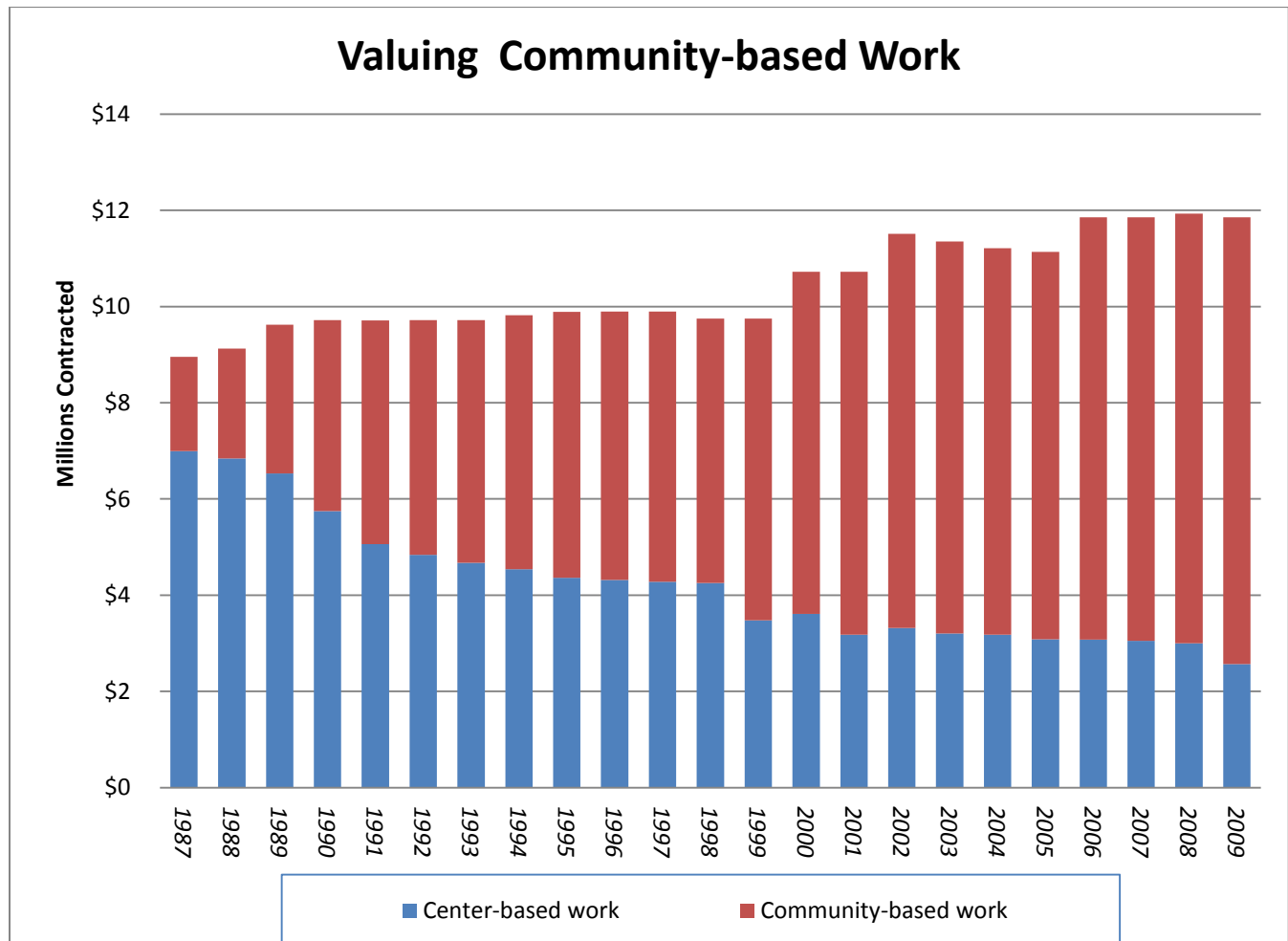
From the state appropriation, the department reserves from the CBF an amount of dollars equal to (a) the sum of the allocations for the starting point for all providers with contracts and making application, less (b) any allocation withheld resulting from the request for proposals process, multiplied by the statewide uniform rate for center-based employment. However, no statewide allocation of extended employment funds to the center-based fund shall exceed \$4,279,000, the funding allocation for center-based employment in state fiscal year 1997.

Adjustments to the statewide allocation may be made based on shifts of dollars from the center-based fund to the community support fund as requested by providers. Shifts will be adjusted at the starting point for each provider requesting shifts.

The remainder of the state appropriation will be subject to distribution according to the department's application and guidelines for funding.

Systems Change

Analysis of reported data suggests the strongest predictor of wages is the work setting; the highest wages correlate to work in the community and reflect the strongest cohesion with the program purpose to promote individuals' self-sufficiency and financial independence. Therefore, the department supports continued systems change to maximize employment in community settings while respecting the informed choice of persons currently served in center-based programs.



In 2009, seventy-eight percent (78%) of the grant funds were allocated to support workers in community jobs. Although the total grant funds have grown by less than \$2.9 million over the last 22 years, the share allocated to support workers in community settings has increased by more than \$7.3 million. These changes have been twofold: (a) the department's practice of moving unearned center-based employment funds into the Community Support Fund, and (b) provider decisions to shift portions of their CBE contracted allocation to increase the level of their community-based services. The table on the next page provides a detailed history of the funds allocated between the center-based and community support funds. [Click here for individual providers' emphasis on Supported Employment.](#)

History of Contracted Allocations – by Fund

SFY	Center-Based Fund	Community Support Fund	Total	Community Support Fund Analysis	
				Percent	Dollars
1987	\$ 6,992,808	\$ 1,960,752	\$ 8,953,560	22%	
1988	6,845,630	2,281,978	9,127,608	25%	\$ 321,226
1989	6,529,933	3,093,822	9,623,755	32%	811,844
1990	5,751,573	3,965,427	9,717,000	41%	871,605
1991	5,064,643	4,646,935	9,711,578	48%	681,508
1992	4,836,649	4,880,351	9,717,000	50%	233,416
1993	4,673,245	5,043,755	9,717,000	52%	163,404
1994	4,542,343	5,274,657	9,817,000	54%	230,902
1995	4,359,076	5,532,924	9,892,000	56%	258,267
1996	4,315,644	5,576,780	9,892,424	56%	43,856
1997	4,279,397	5,613,667	9,893,064	57%	36,887
1998	4,254,315	5,494,685	9,749,000	56%	(118,982)
1999	3,478,073	6,270,927	9,749,000	64%	776,242
2000	3,609,742	7,114,258	10,724,000	66%	843,331
2001	3,178,130	7,545,870	10,724,000	70%	431,522
2002	3,318,870	8,190,435	11,509,305	71%	644,655
2003	3,201,752	8,150,869	11,352,621	72%	(39,566)
2004	3,177,965	8,035,758	11,213,723	72%	(115,111)
2005	3,084,666	8,052,184	11,136,850	72%	16,426
2006	3,077,853	8,776,086	11,853,939	74%	723,902
2007	3,051,854	8,805,607	11,857,461 ¹²	74%	29,521
2008	2,998,984	8,904,392	11,903,376	75%	98,785
2009	2,568,121	9,284,302	11,852,423	78%	379,909
Net Change	\$ (4,424,687)	\$ 7,323,550	\$ 2,898,863	n/a	n/a

¹² The total contracted funds in 2007 exceeded the appropriation of \$11,854,000 by \$3,461 due to an error in the reallocation of unearned funds to the Dakota/Scott Transition pilot projects at MRCI and Lifetrack Resources. MRCI earned all their 2007 contract funds. Lifetrack fell short by \$31,904 and requested a hardship variance. The hardship variance was approved, less the initial error of \$3,461.

Contracted Allocations

The department contracted with 28 providers in 2009. Funds contracted are determined by the prior year's reported production. When the provider's reported production is at least 95% of the contract, the provider's starting point is the previous year's contract amount, or when the provider's reported contract production is less than 95%, the provider's starting point is the reported contract production plus five percent of the previous contract. [Click here for production of hours and contract earnings by provider.](#)

Providers	Community Support Fund	New/Expanded ¹³ (CSF)	Center-based Fund	Total Contract
MRCI	\$ 1,332,122		\$ 687,789	\$ 2,019,911
Rise	695,407	\$ 100,000	75,796	871,203
Tasks Unlimited	674,586	90,891		765,477
Opportunity Partners	645,190			645,190
Ability Building Center	608,934		248,441	857,375
Productive Alternatives	568,557		124,749	663,306
Occupational Development Ctr.	507,435		322,972	830,407
Cedar Valley Services	492,894		245,774	738,668
West Central Industries	392,342		135,623	527,965
Winona ORC	368,615		123,927	492,542
ProAct	346,435		130,938	477,373
Opportunity Services	316,594			316,594
Lifetrack Resources	267,705			267,705
Functional Industries	264,528		142,132	406,660
Resource	159,561	50,000		209,561
Goodwill/Easter Seals	104,314	93,187		197,501
Courage Center	177,535			177,535
Goodwill Voc. Ind. Enterprise	161,555		193,190	354,745
Hennepin County Voc. Program	144,513			144,513
KCQ	133,710			133,710
AccessAbility	124,504		45,629	170,133
Jewish Vocational Services	111,954			111,954
Service Enterprises	106,115			106,115
WACOSA	87,402		10,636	98,038
Industries	59,006		45,925	104,931
The Rising Phoenix	47,255			47,255
Zumbro Valley Mental Health	32,002			32,002
Midwest Special Services	19,454		34,600	54,054
Total (28)	\$ 8,950,224	\$ 334,078	\$ 2,568,121	\$ 11,852,423

¹³ New or expanded programs; Minn. R. 3300.2030.

Comparative Provider Outcomes

Utilization of Grant Funds for Supported Employment

Twenty-eight (28) providers reported 2,543 supported employees worked 1.58 million hours and earned over \$15 million wages. The table is sorted by providers reporting the highest percentage of their contracted CSF allocation due to the employment of EE workers in a supported employment setting; see column, *% Contract Earned via SE Hours*, below.

Provider	Supported Employment Subprogram ¹⁴				Community Support Fund		
	Workers	Work Hours	Wages Paid	Average Wage	Contracted Allocation	Value of SE Hours ¹⁵	% Contract Earned via SE Hours
Goodwill/Easter Seals	106	69,866	\$ 688,118	\$ 9.85	\$ 197,501	\$ 264,095	134%
Hennepin Co VSP	61	48,995	627,407	12.81	144,513	185,201	128%
Resource	72	62,065	948,115	15.28	209,561	234,605	112%
Zumbro Valley MHC	17	9,145	92,923	10.16	32,002	34,567	108%
Lifetrack Resources	111	75,802	813,827	10.74	267,705	286,531	107%
WACOSA	25	24,484	204,151	8.34	87,402	92,551	106%
Tasks	212	213,931	2,076,592	9.71	765,477	808,658	106%
Courage Center	57	49,156	672,636	13.68	177,535	185,809	105%
Opportunity Partners	239	166,831	1,549,919	9.29	645,190	630,622	98%
Midwest Special Svcs	15	4,870	46,875	9.63	19,454	18,408	95%
Jewish Vocational Svc	53	27,911	355,512	12.74	111,954	105,505	94%
AccessAbility	44	29,457	292,116	9.92	124,504	111,347	89%
Rise	176	143,002	1,478,134	10.34	795,407	540,546	68%
Opportunity Services	84	48,066	415,848	8.65	316,594	181,691	57%
Goodwill Ind Voc. Ent.	79	23,572	173,210	7.35	161,555	89,103	55%
ProAct	71	50,368	480,711	9.54	346,435	190,393	55%
Productive Alt.	94	81,906	642,001	7.84	568,557	309,606	54%
KCQ	24	19,034	153,548	8.07	133,710	71,947	54%
Ability Building Center	182	85,133	643,364	7.56	608,934	321,802	53%
MRCI	466	184,857	1,461,277	7.90	1,332,122	698,760	52%
The Rising Phoenix	8	5,690	50,228	8.83	47,255	21,508	46%
Winona ORC	50	43,061	378,869	8.80	368,615	162,770	44%
Occupational Dev. Ctr	151	55,209	401,287	7.27	507,435	208,689	41%
W. Central Industries	93	30,722	241,682	7.87	392,342	116,130	30%
Functional Industries	29	19,201	159,983	8.33	264,528	72,578	27%
Cedar Valley Services	19	7,172	53,772	7.50	492,894	27,112	6%
Service Enterprises	3	820	5,351	6.53	106,115	3,098	3%
Industries	2	293	1,631	5.58	59,006	1,106	2%
Total (28)	2,543	1,580,619	\$ 15,109,087	\$ 9.56	\$9,284,302	\$5,974,738	64%

¹⁴ Provider reported data through Aug. 7, 2009; unaudited.

¹⁵ Value of SE Hours = SE Work Hours multiplied by the statewide SE uniform rate of \$3.78

Outcomes of Persons Served in Supported Employment

The table is sorted by the highest “Average Annual Income” paid to workers in supported employment, based on provider reported, unaudited data.

Provider	Location	Workers	Average Work Hrs Per Week	Average Wage/ Hour	Average Annual Income	Above or (Below) Statewide Average
Resource	Minneapolis	72	16.6	\$ 15.28	\$ 13,172	\$ 7,206
Courage Center	Golden Valley	57	16.6	13.68	11,797	5,832
Hennepin County VSP	Minneapolis	61	15.4	12.81	10,289	4,323
Tasks Unlimited	St. Paul	212	19.4	9.71	9,798	3,833
Rise	Spring Lake Park	176	15.6	10.34	8,401	2,436
WACOSA	Waite Park	25	18.8	8.34	8,168	2,203
Winona ORC	Winona	50	16.6	8.8	7,579	1,613
Lifetrack Resources	St. Paul	111	13.1	10.74	7,334	1,369
Productive Alternatives	Fergus Falls	94	16.8	7.84	6,831	866
ProAct	Eagan	71	13.6	9.54	6,768	802
Jewish Vocational Services	Minneapolis	53	10.1	12.74	6,709	744
AccessAbility	Rochester	44	12.9	9.92	6,641	676
Goodwill/Easter Seals	St. Paul	106	12.7	9.85	6,492	527
Opportunity Partners	Minnetonka	239	13.4	9.29	6,485	519
KCQ	Faribault	24	15.3	8.07	6,400	435
The Rising Phoenix	Wadena	8	13.7	8.83	6,280	315
Functional Industries	Buffalo	29	12.7	8.33	5,515	(450)
Zumbro Valley MHC	Rochester	17	10.3	10.16	5,465	(500)
Opportunity Services	Minneapolis	84	11.	8.65	4,950	(1,016)
Ability Building Center	Rochester	182	9	7.56	3,536	(2,429)
MRCI	Mankato	466	7.6	7.9	3,134	(2,832)
Midwest Special Services	St. Paul	15	6.2	9.63	3,127	(2,839)
Cedar Valley Services	Austin	19	7.3	7.5	2,831	(3,134)
Occupational Develop. Ctr.	Thief River Falls	151	7	7.27	2,658	(3,307)
West Central Industries	Willmar	93	6.4	7.87	2,600	(3,366)
Goodwill Industries Voc. Ent	Duluth	79	5.7	7.35	2,193	(3,772)
Service Enterprises	Redwood Falls	3	5.3	6.53	1,784	(4,182)
Industries	Mora	2	2.8	5.58	816	(5,149)
Supported employment ~ ... customary wages, integrated settings, and ongoing supports		2,543	12	\$ 9.56	\$ 5,965	n/a

Outcomes of Persons Served in Community Employment

The table is sorted by the highest “Average Annual Income” paid to workers in community employment, based on provider reported, unaudited data.

Provider	Location	Workers	Average Work Hrs Per Week	Average Wage/ Hour	Average Annual Income	Above or (Below) Statewide Average
Rise	Spring Lake Park	103	15.6	\$ 7.18	\$ 5,837	\$ 3,917
KCQ	Faribault	22	21.36	5.09	5,627	3,707
AccessAbility	Minneapolis	15	7	10.19	3,689	1,769
Service Enterprise	Redwood Falls	35	14	4.24	3,084	1,164
Cedar Valley Services	Austin	234	10.1	4.91	2,580	660
Goodwill Ind.Voc Ent	Duluth	58	6.7	7.29	2,530	610
Occupational Dev. Ctr	Thief River Falls	249	7.4	6.55	2,528	608
West Central Industries	Willmar	171	9.4	4.54	2,219	299
Winona ORC	Winona	184	7.6	4.36	1,726	(194)
Industries	Mora	46	5.8	5.63	1,684	(236)
Productive Alternatives	Fergus Falls	212	6.6	4.85	1,673	(247)
ProAct	Eagan	108	6.9	4.36	1,556	(364)
Ability Building Center	Rochester	231	5.3	5.49	1,515	(405)
Opportunity Services	Minneapolis	78	13.2	2.09	1,439	(481)
Opportunity Partners	Minnetonka	9	1.4	5.99	1,378	(542)
MRCI	Mankato	634	5.2	4.85	1,319	(601)
Functional Industries	Buffalo	139	8.3	2.73	1,185	(735)
Tasks Unlimited	Minneapolis	54	3.2	6.04	1,020	(900)
WACOSA	Waite Park	17	2.6	4.74	643	(1,277)
The Rising Phoenix	Wadena	44	2.4	4.94	605	(1,315)
Lifetrack Resources	St. Paul	13	1.1	6.42	374	(1,546)
Jewish Vocational Svcs	Minneapolis	15	1	7.08	372	(1,548)
Midwest Special Svcs	St. Paul	6	.8	4.08	176	(1,744)
Zumbro Valley MHC	Rochester	1	.1	8.81	54	(1,866)
Community employment ~ ... work in the community that may not be fully integrated and/or may be paid at less than the customary wage.		2,678	7.4	\$ 4.99	\$ 1,920	n/a

Outcomes of Persons Served in Center-based Employment

The table is sorted by the highest “Average Annual Income” paid to workers in center-based employment, based on provider reported, unaudited data.

Provider	Location	Workers	Average Work Hrs Per Week	Average Wage/ Hour	Average Annual Income	Above or (Below) Statewide Average
Goodwill Industries Vocational Enterprises	Duluth	158	17.9	\$ 5.56	\$ 5,186	\$ 3340
AccessAbility	Minneapolis	56	12	5.95	3,715	1869
Rise	Spring Lake Park	95	13.3	3.22	2,221	375
MRCI	Mankato	740	12.7	3.04	2,014	168
Ability Building Center	Rochester	315	8.7	4.09	1,861	15
Midwest Special Services	St. Paul	30	12.5	2.83	1,844	(2)
Occupational Development Center	Thief River Falls	266	10.2	2.85	1,506	(339)
Winona ORC	Winona	235	6.5	4.43	1,496	(350)
Functional Industries	Buffalo	168	13.4	2.04	1,422	(424)
Cedar Valley Services	Austin	316	8.7	3.07	1,388	(457)
Productive Alternatives	Fergus Falls	140	11.1	2.31	1,332	(514)
ProAct	Eagan	173	9.2	2.76	1,319	(526)
Industries	Mora	52	5.1	4.45	1,186	(659)
West Central Industries	Willmar	230	5.7	3.25	967	(878)
WACOSA	Waite Park	22	5.6	2.31	673	(1,173)
Center-based employment ~ ... paid work on the premises of an EE provider with intensive support.		2,996	10.5	\$ 3.38	\$ 1,845	n/a

Compliance Examination Results

Provider Assertions

State fiscal year 2009, providers assert to the best of their knowledge and belief, they have complied with the Extended Employment Program criterion or noted criterion not applicable to their organization:

- Criterion 1: Workers have worked the hours reported and earned the wages reported by the provider for the reimbursement paid by the Department.
- Criterion 2: Workers and payroll agents are contributing to the workers' social security accounts.
- Criterion 3: Reported workers have been paid appropriate hourly rates.
- Criterion 4: Workers in Supported Employment work in integrated settings.
- Criterion 5: Workers paid by (name of organization) receive fundamental personnel benefits proportionate to the full-time, nonexempt staff. At a minimum, workers will receive 5 days each of paid vacation, sick and holiday, or 10 days flexible leave and 5 days holiday per calendar year.

The following providers assert this criterion is not applicable to their organization(s):

Courage Center, Goodwill/Easter Seals, Hennepin County Vocational Services Program, Kaposia (subcontractor), Lifetrack Resources, Resource, Zumbro Valley Mental Health Center.

- Criterion 6: Workers participating in Extended Employment and Medical Assistance (MA) funded programs, such as Day Training and Habilitation (DTH) programs; Home and Community-Based Services for Persons with Mental Retardation or Related Conditions (MR/RC); Community Alternatives for Disabled Individuals (CADI); Traumatic Brain Injury (TBI) Waivers; Adult Rehabilitative Mental Health Services (ARMHS), are receiving separate services and no duplicate funding is received by (name of organization).

The following providers assert this criterion is not applicable to their organization(s):

AccessAbility, Courage Center, Goodwill Industries Vocational Enterprises, Hennepin County Vocational Services Program, Jewish Vocational Services, Lifetrack Resources, ProAct, Resource, Service Enterprises, Tasks Unlimited, The Rising Phoenix, West Central Industries.

- Criterion 7: No participants in non-Medical Assistance, employment-related programs, funded through state, federal, or other sources are reported to the extended employment program when (a) the funding source is obligated to pay for total program costs for participants or (b) the funding source prohibits concurrent funding of program participants receiving extended employment program services. I am aware that Workers' Compensation, Extended Employment Employability Grants for the Serious and Persistent Mentally Ill, and Welfare to Work Grants are some of the excluded programs.
- Criterion 8: Workers served in the Extended Employment Program are persons with a most severe disability, who have 3 or more functional limitations affecting employment, and who require ongoing employment support services to maintain or advance in employment.
- Criterion 9: Reported extended employment workers have a current Extended Employment Support Plan developed with the informed consent of the worker.
- Criterion 10: The workers' Extended Employment Support Plan identifies the ongoing employment support services necessary for the worker to maintain employment.
- Criterion 11: The ongoing employment support services provided to the worker are consistent with the services identified in the Extended Employment Support Plan.
- Criterion 12: Each Extended Employment worker receives a minimum of two in-person contacts per month in the

delivery of ongoing employment support services.

Criterion 13: We have an Extended Employment Contract that allows us to earn up to a maximum of \$_____ to provide of Center-Based Employment to Minnesotans with severe disabilities. We have met the conditions of the contract, based on our reported work hours, and earned \$_____ of the contracted allocation.

The following providers assert this criterion is not applicable to their organization(s):

Courage Center, Goodwill/Easter Seals, Hennepin County Vocational Services Program, Jewish Vocational Services, KCQ, Kaposia (subcontractor), Lifetrack Resources, Opportunity Partners, Opportunity Services, Resource, Service Enterprises, Tasks Unlimited Janitorial Services, The Rising Phoenix, Zumbro Valley Mental Health Center.

Criterion 14: (Choose all that apply.)

- ☐ We have an Extended Employment Contract that allows us to earn up to a maximum of \$_____ to provide Community Employment and Supported Employment to Minnesotans with severe disabilities. We have met the conditions of the contract and, based on our reported work hours, earned \$_____ of the contracted allocation.
- ☐ We have an Extended Employment Contract that allows us to earn up to a maximum of \$_____, under a new/expanded program allocation, to provide Community Employment and Supported Employment to Minnesotans with severe disabilities. We have met the conditions outlined in the Department's Request for Proposals, our Proposal, and our Extended Employment Contract. Based on our reported work hours, we have earned \$_____ of the contracted allocation for our new/expanded program.
- ☐ The Department granted approval for us to subcontract a portion of our Extended Employment Contract allocation to [name of organization], a certified Extended Employment provider, via a service agreement. The service agreement allows [name of organization] to provide Community Employment and Supported Employment to Minnesotans with severe disabilities, up to a maximum of \$_____. The conditions of the agreement have been met. We have earned \$_____ of our contracted Community Support Fund allocation and \$_____ of our New/Expanded Community Support Fund allocation as a direct result of the service agreement. A copy of the service agreement is attached.
- ☐ We are made an Extended Employment subcontractor of the Department through our Service Agreement with [name of organization], a certified Extended Employment provider. The service agreement allows us to earn up to a maximum of \$_____ for providing Community Employment and Supported Employment to Minnesotans with severe disabilities. We have met the conditions of the service agreement and are in compliance with all applicable laws, rules, and regulations. We have reported _____ participant work hours in community employment and _____ participant work hours in supported employment, and as a result earned \$_____ from [name of organization]. A copy of the service agreement is attached.

signed: _____ date: _____
Executive Director

signed: _____ date: _____
Officer, Board of Directors ¹⁶

¹⁶Requires the signature of an officer of the board of directors who has no involvement in the daily operations or management of the corporation, and who is neither an employee nor contractor of the corporation.

Independent Accountant's Report

The sample opinion below is the preferred report sample for reports with nonmaterial findings. Auditors are directed to AICPA Professional Standards, Attestation Standards, Compliance Attestation, Examination Engagement for detailed guidance and other reporting variations including reports without findings and material findings:

We have examined management's assertions included in the accompanying report that (name of entity) complied with the Minnesota Department of Employment and Economic Development 14 Extended Employment Compliance Examination Standards Criterion (dated) except for the noncompliance described in the third paragraph for the year ended June 30, 2009. Management is responsible for (name of entity)'s compliance with those requirements. Our responsibility is to express an opinion on (name of entity)'s compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about (name of entity)'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on (name of entity)'s compliance with specified requirements.

Our examination disclosed the following noncompliance with the requirements referred to above, applicable to (name of entity) during the year ended June 30, 2009, which are described in the accompanying (list names of schedules).

In our opinion, management's assertions referred to above is fairly stated, in all material respects, with the aforementioned requirements for the year ended June 30, 2009.

This report is intended solely for the information and use of (list specified parties) Minnesota Department of Employment and Economic Development and is not intended to be and should not be used by anyone other than these specified parties.

[Signature]

[Date]

Auditors' Opinions

Thirteen providers received unqualified opinions on compliance presenting reports with no findings: Cedar Valley Services, Courage Center, Goodwill/Easter Seals, Hennepin County Vocational Services Program, Jewish Vocational Services, KCQ, MRCI, Opportunity Partners, ProAct, Resource, Service Enterprises, Tasks Unlimited, and Winona ORC.

The qualified opinions of the remaining providers were the result of variances identified herein.

Efficiency Measures

- Audit reports were generally received by the September 30, 2009 due date; late reports were:

Provider	Date Received
Opportunity Services	2/3/2010
Kaposia	2/3/2010

- Reports were reviewed, on average, within 116 days of receipt. Twenty-seven reports were reviewed within 30 days.

Days to Review	Audit Reports Reviewed
0 – 7 Days	Opportunity Services, Kaposia
8 – 119 Days	(none)
120-130 Days	Ability Building Center, AccessAbility, Cedar Valley Services, Courage Center, Functional Industries, Goodwill/Easter Seals, Goodwill Industries Vocational Enterprises, Hennepin County VSP, Industries, Jewish Vocational Services, Lifetrack Resources, Midwest Special Services, Occupational Development Center, Opportunity Partners, ProAct, Productive Alternatives, Resource, Rise, Service Enterprises, Tasks Unlimited, The Rising Phoenix, WACOSA, West Central Industries, Winona ORC, Zumbro Valley Mental Health Center
131 – 156 Days	KCQ, MRCI

- Letters of acceptance were generally issued by the department within six days of the review. The exceptions were: Lifetrack Resources (7 days), Productive Alternatives (24 days), and The Rising Phoenix (29 days).
- Audit reports were complete in accordance with agreed upon standards.
- No audit reports required a second-level review due to substantial deviance from established protocol.
- As of the date of this report, the appeal period closed on all but two provider audits (Opportunity Services, Productive Alternatives) with no appeals filed.

SE Reported Hours, Auditors' Samples and Error Rates

Supported Employment

Errors were reported at insignificant levels. Zumbro Valley Mental Health Center failed to report sample sizes.

New/Expanded SE Programs

Four EE providers received funding for new or expanded programs, reporting in aggregate an additional 145,302 hours of work in support employment:

Goodwill/Easter Seals

58,944 reported hours
819 sampled hours
0 disallowed hours

Resource

21,737 reported hours
5,147 sampled hours
0 disallowed hours

Rise

26,770 reported hours
481 sampled hours
0 disallowed hours

Tasks Unlimited

37,851 reported hours
942 sampled hours
0 disallowed hours

Provider	Reported Hours ¹⁷	Random Sample	Variances	Error Rate ¹⁸
Ability Building Center	85,133	6,311	83.91	0%
AccessAbility	29,457	3,359		
Cedar Valley Services	7,172	8,737		
Courage Center	49,156	14,503		
Functional Industries	19,201	3,266		
Goodwill-Easter Seals	69,866	87		
Goodwill-Duluth	23,572	1,735		
Hennepin Co VSP	48,995	13,822		
Industries	293	2,229	(12.00)	0%
Jewish Vocational Svcs	27,911	3,927		
KCQ	19,034	4,393		
Lifetrack Resources	75,802	10,352	(6,240.96)	2.1%
Midwest Special Svcs	4,870	9,109		
MRCI	184,857	2,131		
Occupational Dev. Ctr	55,209	5,395	(647.00)	.4%
Opportunity Partners	131,449	1,449		
Opportunity Services	48,066	2,636	(7.80)	0%
ProAct	50,368	1,617		
Productive Alternatives	81,906	897	(77.00)	8.5%
Resource	62,065	6,834		
Rise	143,002	9,948		
Service Enterprises	820	4,408		
Tasks Unlimited	213,931	3,359		
The Rising Phoenix	5,690	2,457	24.50	2.1%
WACOSA	24,484	2,726	(115.00)	4.4%
West Central Industries	30,722	23,106	132.05	0%
Winona ORC	43,061	14,500		
Zumbro Valley MHC	9,145	0		
Kaposia ¹⁹	35,382	792	(64.10)	
Total (29)	1,580,619	164,085	(6923.40)	.04%

¹⁷ Hours reported in the independent audit reports.

¹⁸ Significant error rates are equal to or greater than 10% and are projected to the population of reported program hours.

¹⁹ Kaposia was approved to provide supported employment as a subcontractor to Opportunity Partners in 2009.

CE Reported Hours, Auditors' Samples and Error Rates

Community Employment

Errors were reported at insignificant levels.

New/Expanded CE Programs

No community employment hours were reported for reimbursement by new or expanded programs.

Provider	Reported Hours ²⁰	Random Sample	Variances	Error Rate
Ability Building Center	63,735	6,311	(191.07)	0%
AccessAbility	5,430	3,359	(35.00)	2.4%
Cedar Valley Services	122,948	8,737		
Functional Industries	60,349	3,266	(1.02)	0%
Goodwill-Duluth	20,132	1,735		
Industries	13,763	2,229		
Jewish Vocational Svc	788	3,927		
KCQ	24,323	4,393		
Lifetrack Resources	757	10,352	(349.00)	3%
Midwest Special Services	258	9,109	.75	
MRCI	172,480	2,131		
Occupational Dev. Ctr.	96,086	5,395	(59.00)	0%
Opportunity Partners	2,071	1,449		
Opportunity Services	53,694	2,636		
ProAct	38,535	1,617		
Productive Alternatives	73,107	2,548	(200.75)	7%
Rise	83,728	9,948	(237.05)	0%
Service Enterprises	25,458	4,408		
Tasks Unlimited	9,436	3,359		
The Rising Phoenix	5,385	2,457	20.25	1.6%
WACOSA	2,305	2,726		
West Central Industries	83,562	23,106		
Winona ORC Industries	72,822	14,500		
Zumbro Valley MHC	6	0		
Total (24)	1,031,158	129,698	(1,051.89)	10%

²⁰ Hours reported in independent audit reports.

CBE Reported Hours, Auditors' Samples and Error Rates

Center-based Employment

Errors were reported at insignificant levels.

New/Expanded CE Programs

No community employment hours were reported for reimbursement by new or expanded programs.

Provider	Reported Hours ²¹	Variances	Error Rate
Ability Building Center	143,335	0	0%
AccessAbility	34,963	0	0%
Cedar Valley Services	142,873	0	0%
Functional Industries	117,070	0	0%
Goodwill Industries Vocational Enterprises	147,358	(6.15)	0%
Industries	19,805	0	0%
Midwest Special Services	19,545	(0.75)	0%
MRCI	490,241	0	0%
Occupational Development Center	140,566	(362.00)	1%
ProAct	82,698	0	0%
Productive Alternatives	80,718	0	0%
Rise	65,513	0	0%
WACOSA	6,409	0	0%
West Central Industries	68,460	0	0%
Winona ORC	79,347	0	0%
Total (15)	1,638,901	(369)	0%

²¹ Hours reported in independent audit reports.

Community Support Funds Earned

Fourteen (14) providers met contracted production levels, and seven (7) came within 5% of contract levels. These twenty-one (21) providers are eligible for 2010 contracts at 2009 levels, plus any funds they shift into their community support fund contract from their center-based allocations.

Unless the Department grants a variance request based on economic hardship, 2010 contract starting points for seven providers that under-produce contracts by more than 5% is the *Value of Reported Hours* (below), plus 5% of their *CSF Contract Allocation* (below): The Rising Phoenix, Industries, Service, ProAct, Cedar Valley Services, MRCI, and Ability Building Center.

Providers	Accepted Hours		Value of Reported Hours	CSF Allocation Contracted	Over or (Under) Contract	% Over (Under) Contract
	SE	CE				
Goodwill/Easter Seals	128,810	0	\$ 486,903	\$ 197,501	\$ 289,402	147%
Tasks Unlimited	265,856	9,436	1,035,510	765,477	270,033	35%
Rise	169,772	83,491	912,249	795,407	116,842	15%
Resource	83,802	0	316,771	209,561	107,210	51%
Hennepin Co. Voc. Svc.	48,995	0	185,201	144,513	40,688	28%
Opportunity Services	48,059	53,694	355,629	316,594	39,035	12%
Winona ORC	43,061	72,822	398,714	368,615	30,099	8%
KCQ	19,034	24,323	150,753	133,710	17,043	13%
WACOSA	24,369	2,305	99,585	87,402	12,183	14%
Occupational Develop. Ctr.	54,562	96,027	517,372	507,435	9,937	2%
Courage Center	49,156	0	185,809	177,535	8,274	5%
AccessAbility	29,457	5,395	128,828	124,504	4,324	3%
Functional Industries	19,201	60,348	268,105	264,528	3,577	1%
Zumbro Valley Mental Health	9,145	6	34,587	32,002	2,585	8%
Midwest Special Service	4,870	259	19,248	19,454	(206)	-1%
Lifetrack Resources	69,561	408	264,262	267,705	(3,443)	-1%
Jewish Vocational Services	27,911	788	108,057	111,954	(3,897)	-3%
West Central Industries	30,854	83,562	387,371	392,342	(4,971)	-1%
Goodwill Industries. Voc. Ent.	23,572	20,132	154,331	161,555	(7,224)	-4%
Opportunity Partners	166,767	2,071	637,090	645,190	(8,100)	-1%
The Rising Phoenix	5,715	5,405	39,112	47,255	(8,143)	-17%
Industries	281	13,763	45,652	59,006	(13,354)	-23%
Service	820	25,458	85,582	106,115	(20,533)	-19%
Productive Alternatives	81,829	72,907	545,532	568,557	(23,025)	-4%
ProAct	50,368	38,535	315,247	346,435	(31,188)	-9%
Cedar Valley Services	7,172	122,948	425,464	492,894	(67,430)	-14%
MRCI	184,857	172,480	1,257,595	1,332,122	(74,527)	-6%
Ability Building Center	85,217	63,544	528,002	608,934	(80,932)	-13%
Total (28)	1,733,073	1,030,107	\$9,888,561	\$9,284,302	\$ 604,259	

Center-based Funds Earned

Twelve (12) of fifteen (15) providers earned their contracted allocations for state fiscal year 2009 and are eligible for 2010 contracts at 2009 levels. The 2010 contract starting points for Industries, West Central Industries, and Occupational Development Center is the *Value of Reported Hours* (below), plus 5% of their *CBF Contracted Allocation* (below) unless requests for economic hardship variances are made and approved by the Department.

Providers	Accepted CBE Hours	Value of Reported Hours	CBF Contracted Allocation	Over or (Under) Contract	% Over (Under) Contract
MRCI	490,241	\$ 877,531	\$ 687,789	\$ 189,742	28%
Goodwill Industries Voc. Enterprises	147,352	263,760	193,190	70,570	37%
Functional Industries	117,070	209,556	142,132	67,424	47%
Rise	65,513	117,269	75,796	41,473	55%
Productive Alternatives	80,718	144,486	124,749	19,737	16%
Winona ORC	79,347	142,032	123,927	18,105	15%
ProAct	82,698	148,030	130,938	17,092	13%
AccessAbility	34,963	62,584	45,629	16,955	37%
Cedar Valley Services	142,873	255,742	245,774	9,968	4%
Ability Building Center	143,335	256,570	248,441	8,129	3%
WACOSA	6,409	11,472	10,636	836	8%
Midwest Special Service	19,544	34,984	34,600	384	1%
Industries	19,805	35,452	45,925	(10,473)	-23%
West Central Industries	68,460	122,543	135,623	(13,080)	-10%
Occupational Development Center	140,204	250,964	322,972	(72,008)	-22%
Total (15)	1,638,532	\$2,932,975	\$2,568,121	\$ 364,854	

2010 Economic Hardship Requests Granted

The department must provide a variance to the contract starting point in part 3300.2035, subpart 4, for a provider that establishes that it was unable to produce the number of hours required by the provider's contract during the previous contract period due to circumstances beyond the control of the provider's management.

- A. Circumstances beyond the control of the provider's management include conditions such as fire or natural disaster, the cessation of a major contract, the movement of a major employer out of the area, or a local unemployment level substantially higher than the statewide average.
- B. A provider seeking a variance to the contract starting point must request the variance in the annual application for state grant funds in part 3300.2035. The request for variance to the contract starting point must state the reasons for the request and the plan for corrective action to meet contracted hours during the next contract period.
- C. A provider who requests and is granted a variance to the contract starting point will retain the work hour level from the previous contract period. However, the underproduction of contracted hours is subject to repayment in the adjustment of the allocation state grant funds in part 3300.2035, subpart 8. [M. Rules, 3300.2040. Consideration of economic conditions]

The following providers fell short of achieving their 2009 Community Support Fund allocation by more than five percent, but requested and were granted economic hardship variances for their 2010 contracts:

Providers	2010 Hardship Request			2009 Contract v. Production		
	Hours		Dollars	CSF Contracted Allocation	Post Audit Unearned Dollars	% Under Contract
	SE	CE				
The Rising Phoenix	2,738	672	\$12,527	\$47,255	8,143	17%
Industries	529	3,352	12,860	59,006	13,354	23%
ProAct	0	10,000	32,400	346,435	31,188	9%
Cedar Valley Services	0	20,501	66,423	492,894	67,430	14%
Ability Building Center	15,020	7,455	80,930	608,934	80,932	13%
Total (5)	18,287	41,980	\$205,140	1,554,524	\$ 201,047	10%

The following providers fell short of achieving their 2009 Center-based Fund allocation by more than five percent, but requested and were granted economic hardship variances to their 2010 contracts:

Providers	2010 Hardship Request		2009 Contract v. Production		
	CBE Hours	Dollars	CBF Contracted Allocation	Post Audit Unearned Dollars	% Under Contract
Industries	5,656	\$10,124	\$45,925	10,473	23%
Occupational Development Center	31,000	55,490	322,972	72,008	22%
West Central Industries	6,732	12,050	135,623	13,080	10%
Total (3)	43,388	\$ 77,664	\$ 504,520	\$ 95,561	14%